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SP-02 FEAE-00 OMB-01 OIC-02 /138 W

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R 281247Z JUL 76

FM USDEL MTN GENEVA

TO SECSTATE WASHDC 1798

INFO ALL OECD CAPITALS 55-56-57

AMEMBASSY ABIDJAN

AMEMBASSY ACCRA

AMEMBASSY ALGIERS

AMEMBASSY BANGKOK

AMEMBASSY BELGRADE

AMEMBASSY BOGOTA

AMEMBASSY AMEMBASSY BRAZILIA

AMEMBASSY BUCHAREST

AMEMBASSY BUDAPEST

AMEMBASSY BUENOS AIRES

EMEMBASSY CAIRO 506-507-508

AMEMBASSY CARACAS

AMEMBASSY COLOMBO

AMEMBASSY DACCA

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AMEMBASSY SOFIA
AMEMBASSY TANANARIVE
AMEMBASSY THERAN
AMEMBASSY TUNIS
AMEMBASSY WARSAW
AMEMBASSY YAOUNDE
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DEPT PASS STR, LABOR, AGRICULTURE, ITC

E.O. 11652: N/A

TAGS: ETRD MTN OCON

SUBJECT: MTN NEGOTIATIONS: REPORT NO. 5 (JUNE-JULY 1976)

REF: MTN GENEVA 4483

BEGIN SUMMARY. DURING JUNE AND JULY MTN GROUP MEETINGS WERE HELD ON ALMOST ALL MAJOR SUBJECTS UNDER NEGOTIATION, AND THERE WERE INTENSIVE BILATERAL CONSULTATIONS WITH OTHER DELEGATIONS. WORK ON TARIFFS MOVED A STEP FORWARD WITH THE EC TABLING OF ITS FORMULA PROPOSAL. A COMPREHENSIVE U.S. CONCEPTS PAPER HAS BEEN INTRODUCED INTO THE SAFEGUARDS GROUP AND AGREEMENT HAS BEEN REACHED TO ESTABLISH A NEGOTIATING LIMITED OFFICIAL USE

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GROUP ON GOVERNMENT PROCUREMENT. PROGRESS IN OTHER GROUPS WAS SLOWED BY PROCEDURAL DIFFICULTIES RAISED BY THE EC RELATED TO DISAGREEMENT ON HOW AGRICULTURE SHOULD BE HANDLED IN THE NEGOTIATIONS. END SUMMARY.

1. TARIFFS. THE TARIFFS GROUP MET THE FIRST WEEK IN JULY TO CONTINUE DISCUSSION OF ALTERNATIVE TARIFF-CUTTING SCHEMES. THE MEETING WAS NOTEWORTHY FOR LONG-ANTIICIPATED

PRESENTATION OF A FORMAL EC TARIFF-CUTTING PROPOSAL. THE EC STATED THAT THE GOAL OF THE TARIFF REDUCTION FORMULA SHOULD BE THE HARMONIZATION OF TARIFF STRUCTURES AND TABLED THE PROPOSAL $Y \text{ EQUALS } X$, ITERATED FOUR TIMES (Y IS THE PERCENTAGE REDUCTION CALLED FOR; X IS THE AD VALOREM EQUIVALENT OF THE EXISTING DUTY RATE; THE FORMULA WOULD BE APPLIED FOUR TIMES). THE U.S. DEL NOTED DISAPPOINTMENT THAT THE EC PROPOSAL CALLED FOR SUCH A MEAGER OVERALL REDUCTION OF DUTIES (32 PERCENT), ESPECIALLY AS COMPARED WITH REDUCTIONS CALLED FOR BY OUR PROPOSAL (SEE REPORT #2 - MTN GENEVA 2449). SUPPORTING OUR VIEW, CANADA STATED THAT THE EC PROPOSAL SACRIFICED TOO MUCH IN THE WAY OF MEANINGFUL LIBERATION TO ACHIEVE A HARMONIZATION OF RATES. THE U.S. AND SEVERAL DELEGATIONS ALSO CRITICIZED THE EC FOR TABLING A PROPOSAL THAT THE EC SAYS WOULD NOT BE APPLIED TO AGRICULTURAL TARIFFS. THE EC PROPOSAL WAS GREETED MORE SYMPATHETICALLY BY THE NORDICS AND BY COMMUNITY ASSOCIATES (E.G., GREECE). THE JAPANESE WERE NONCOMMITTAL, BUT PROMISED TO TABLE A PROPOSAL OF THEIR OWN IN THE FALL.

B) EXCHANGES BETWEEN THE DEVELOPED AND LESS DEVELOPED COUNTRIES ON APPROPRIATE SPECIAL AND DIFFERENTIAL TREATMENT (S&D) FOR LDCS UNDER THE TARIFF NEGOTIATING PLAN SHOWED THAT MOST DELEGATIONS FELT SEVERAL S&D MEASURES COULD BE AGREED TO IN PRINCIPLE NO LATER THAN AT THE TIME OF AGREEMENT ON A TARIFF-CUTTING FORMULA. WE EXPRESSED WILLINGNESS TO CONSIDER ALL LDC PROPOSALS FOR S&D ON AN ITEM-BY-ITEM BASIS, BUT WE WOULD BE VERY RELUCTANT TO MEET REQUESTS WHICH WERE NON-LIBERALIZING (E.G., LESS-THAN-FORMULA REDUCTIONS TO PRESERVE PREFERENTIAL MARGINS).

C) DURING THE PERIOD, THE MTN DEL HELD INFORMAL SESSIONS LIMITED OFFICIAL USE

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WITH SEVERAL DEVELOPED COUNTRY DELEGATIONS WITH THE PURPOSE OF SHOWING THEM THE BENEFITS TO THEIR EXPORTERS ON AN AMBITIOUS TARIFF-CUTTING PROPOSAL SUCH AS OUR OWN. WE DEMONSTRATED THROUGH THE USE OF EMPIRICAL DATA THAT A FORMULA WHICH CUTS MOST SUBSTANTIALLY WITHIN THE RANGE OF RATES 5 TO 15 PERCENT PROVIDED THE GREATEST TRADE BENEFITS TO THEM.

2. NON-TARIFF MEASURES (NTM). A) THE NTM SUBGROUP ON CUSTOMS MATTERS MET JULY 5-8 AND FURTHER DISCUSSED ELEMENTS OF POSSIBLE NEW INTERNATIONAL RULES OR PRINCIPLES ON CUSTOMS VALUATION. MOST PARTICIPANTS IN THE MTN APPLY THE BRUSSELS DEFINITION OF VALUE, WITH NOTABLE EXCEPTIONS OF CANADA, U.S. AND NEW ZEALAND. THE U.S. HAS MAINTAINED THAT IF, AS A RESULT OF THE NEGOTIATIONS THE U.S. AGREES

TO SEEK CHANGES TO ITS VALUATION SYSTEM, THE U.S. WOULD REQUIRE ADEQUATE COMPENSATION. BECAUSE OF THE FACT THAT THE EC, THE NEGOTIATING PARTNER SHOWING THE MOST INTEREST, HAS NOT GIVEN AN INDICATION OF ITS WILLINGNESS TO PROVIDE APPROPRIATE COMPENSATION, THE U.S. STATED IT IS UNABLE TO COMMIT ITSELF TO ANY RULES OR PRINCIPLES ON WHICH A NEW VALUATION SYSTEM COULD BE BASED. DURING SUBSEQUENT DISCUSSION THE EC GAVE ITS FIRST INDICATION OF SPECIFIC VALUATION TOPICS THAT IT WOULD LIKE TO SEE ADDRESSED IN ANY POSSIBLE NEW RULES: QUANTITIES, PRICES, STANDARD PRICE IN VALUING GOODS, AND DEFINITION OF NORMAL TRANSACTION AS OPPOSED TO EXCEPTIONAL CIRCUMSTANCES, I.E., NON-ARM'S LENGTH TRANSACTIONS. ALSO DURING THE DISCUSSION THE EC ACKNOWLEDGED THAT VALUATION WORK ENCOMPASSES CHAPTERS 1-99 (BOTH INDUSTRY AND AGRICULTURE) OF THE CCCN (CUSTOMS COOPERATION COUNCIL NOMENCLATURE, FORMERLY CALLED BTN - BRUSSELS TARIFF NOMENCLATURE). OTHER HIGHLIGHTS INCLUDE AUSTRALIAN PROPOSAL TO INCLUDE VARIABLE LEVIES AS A VALUATION TOPIC. U.S. PROPOSAL FOR PLURILATERAL CONSULTATIONS ON CONSULAR FORMALITIES AND FEES WAS SUPPORTED BY DEVELOPED COUNTRIES, BUT OPPOSED BY LDCS MAINTAINING SUCH FORMALITIES AND FEES.

B) THE SUBGROUP ON QUANTITATIVE RESTRICTIONS MET JULY 12-13 AND HAD A DISCUSSION ON REPORTS OF BILATERAL CONSULTATIONS HELD REGARDING QRS OF TRADE INTEREST TO LIMITED OFFICIAL USE

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PARTICIPANTS. FURTHER DISCUSSION OF A POSSIBLE NEGOTIATING APPROACH TO QRS WAS PUT OFF WHEN U.S. ANNOUNCED ITS INTENTION TO SUBMIT SUGGESTIONS AT NEXT SUBGROUP MEETING FOR NEGOTIATIONS ON QRS THAT WOULD CONTAIN BOTH MULTILATERAL AND PLURILATERAL ELEMENTS. THERE WAS A FURTHER EXCHANGE ON THE DRAFT LICENSING TEXTS FOR AUTOMATIC LICENSING AND LICENSING TO ADMINISTER IMPORT RESTRICTIONS. PROPOSALS BY INDIA, BRAZIL AND MEXICO FOR SPECIAL AND DIFFERENTIAL TREATMENT FOR LDCS IN NEGOTIATIONS ON QRS AND LICENSING RECEIVED LITTLE DISCUSSION AND REMAINED ON SUBGROUP'S AGENDA FOR NEXT MEETING.

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C) IN A BRIEF MEETING ON JULY 13, THE SUBGROUP ON SUBSIDIES/COUNTERVAILING DUTIES WELCOMED THE ANNOUNCEMENT OF CANADA'S INTENTION TO TABLE A DRAFT INTERPRETATIVE NOTE TO GATT ARTICLE VI AND XVI OR A CODE OF CONDUCT TO COVER AREA OF SUBSIDIES AND COUNTERVAILING DUTIES. IT IS HOPED THAT THIS INITIATIVE WILL SUCCEED IN ACCELERATING THE WORK OF THIS SUBGROUP. A FURTHER WORK PROGRAM WAS ADOPTED IN WHICH A CHECKLIST OF DELEGATIONS' POSITIONS TAKEN ON VARIOUS ASPECTS OF SUBSIDIES/CVDS WILL BE CONDENSED BY THE SECRETARIAT. THE SUBGROUP ALSO TOOK NOTE OF AN AUSTRALIAN IDEA THAT VARIABLE LEVIES CONTAIN A COUNTERVAILING DUTY ELEMENT WHEN SUCH LEVIES ARE BASED UPON A SUBSIDIZED PRICE. THE EC COMMENTED THAT A PROPER PLACE FOR DISCUSSION OF THIS TOPIC IS IN GROUP AGRICULTURE.

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D) THE NTM PARENT GROUP MET ON JULY 20-21 AND AGREED ON THE ESTABLISHMENT OF A SUBGROUP ON GOVERNMENT PROCUREMENT. DEVELOPING COUNTRIES AGAIN PROPOSED THE ESTABLISHMENT OF A SUBGROUP ON ANTIDUMPING, AND THE U.S. AND AUSTRALIA AGAIN PROPOSED A SUBGROUP ON VARIABLE LEVIES AND MINIMUM IMPORT PRICES, BUT NEITHER PROPOSAL WAS AGREED TO BY THE GROUP. DISCUSSION OF PROPOSALS FOR ESTABLISHMENT OF A VARIABLE LEVIES SUBGROUP, ADOPTION OF APPROACH TO NON-TARIFF MEASURES NOT BEING DEALT WITH MULTILATERALLY, AND ADDITION OF NON-TARIFF MEASURE INFORMATION TO THE TARIFF RATE INFORMATION FILE SPARKED PROLONGED DISCUSSION ON COMPETENCY OF NTM GROUP TO DISCUSS

AGRICULTURAL ASPECTS OF THESE ISSUES. THE EC, AUSTRIA, AND NORDICS MAINTAIN THAT ALL SUCH MATTERS SHOULD BE REFERRED TO GROUP AGRICULTURE, WHILE U.S. AND AUSTRALIA BELIEVE THAT THE TOPICS PER SE DO NOT CONTAIN AGRICULTURAL ASPECTS AND SHOULD BE DISCUSSED IN PARENT GROUP. THE PARENT GROUP ESTABLISHED A SCHEDULE FOR NTM MEETINGS IN THE AUTUMN.

E) BILATERAL TALKS: THE DELEGATION CONTINUED TO HOLD BILATERAL CONSULTATIONS ON TECHNICAL NTM ISSUES. BILATERAL CONSULTATIONS WERE HELD WITH MEXICO AND YUGOSLAVIA. REGARDING NOTIFICATIONS ON QUANTITATIVE RESTRICTIONS. AN EXTENSIVE BILATERAL WAS ALSO HELD WITH MEXICO ON ITS LICENSING SYSTEM AND ITS PROPOSALS IN THE QR SUBGROUP ON THE DRAFT LICENSING TEXTS. BILATERAL MEETINGS TOOK PLACE WITH CANADA ON THE TOPIC OF STANDARDS DEFINITIONS, AND WITH THE EC AND CANADA ON GOVERNMENT PROCUREMENT IN PREPARATION FOR THE UPCOMING WORK OF THIS NEWLY ESTABLISHED NTM SUBGROUP.

3. AGRICULTURE. THE MEAT AND DAIRY SUBGROUPS HELD MEETINGS IN JULY. BOTH SUBGROUPS CONTINUED THEIR EXAMINATION OF COUNTRIES' TRADING SYSTEMS AND THEIR DISCUSSION OF VARIOUS PROPOSALS FOR WAYS OF DEALING WITH PROBLEMS IN THE TWO SECTORS.

A) MEAT SUBGROUP. THE MEAT SUBGROUP MET JULY 5-7 AND EXAMINED THE TRADE MEASURES APPLIED BY POLAND AND URUGUAY, AND DISCUSSED PROPOSALS MADE IN PREVIOUS MEETINGS
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BY THE EC, AUSTRALIA AND NEW ZEALAND. THE BULK OF THE MEETING WAS DEVOTED TO A DISCUSSION OF THE EC'S "CONCERTED DISCIPLINE" APPROACH TO SOLVING PROBLEMS IN WORLD MEAT TRADE. THE EC SAID THAT SUCH CONCERTED ACTIONS BY COUNTRIES WOULD REQUIRE A NEW CONSULTATIVE AND SURVEILLANCE BODY WHOSE TASK IT WOULD BE TO EXCHANGE INFORMATION ON CURRENT DEVELOPMENTS IN THE WORLD BEEF TRADE AND TO CONSULT ON APPROPRIATE MEASURES TO BE TAKEN AS NECESSARY. THE EC WAS UNABLE TO CLARIFY WHAT COMMITMENTS ON MARKET ACCESS IT WOULD BE WILLING TO UNDERTAKE AND WAS THEREFORE CRITICIZED BY MOST MAJOR EXPORTERS AND THE U.S. THE EC SAID THAT AGREEMENT ON ESTABLISHMENT OF A MULTILATERAL FRAMEWORK FOR INFORMATION EXCHANGE AND CONSULTATIONS WAS AN ABSOLUTE PREREQUISITE BEFORE DECIDING ON FURTHER STEPS. IT STATED, HOWEVER, THAT IT WOULD NOT ACCEPT A TARIFF FORMULA FOR MEAT, NOR CHANGE ITS LEVY SYSTEM.

B) DAIRY SUBGROUP. THE DAIRY SUBGROUP MET JULY 12-14 AND EXAMINED THE DAIRY SYSTEM OF POLAND BEFORE DISCUSSING

MEANS OF LIBERALIZING IMPORT AND EXPORT REGIMES AND DEFICIENCIES IN EXISTING INTERNATIONAL DAIRY ARRANGEMENTS. DURING THE DISCUSSION OF IMPORT AND EXPORT REGIMES THE EC STATED THAT ITS VARIABLE LEVIES WERE NOT NEGOTIABLE BUT THAT THE HEIGHT OF THE LEVY MAY BE ADJUSTABLE ON THE CONDITION THAT EXPORTERS COMMIT THEMSELVES TO RESPECTING A MINIMUM EXPORT PRICE. THIS, THE EC SAID, COULD BE ACCOMODATED UNDER AN INTERNATIONAL AGREEMENT. SEVERAL EXPORTING COUNTRIES INCLUDING THE U.S. CRITICIZED THE EC'S PROPOSAL FOR IMPROVING EXISTING INTERNATIONAL ARRANGEMENTS BECAUSE IT DID NOT PROVIDE FOR MORE PREDICTABLE AND SECURE ACCESS TO MARKETS. NEW ZEALAND AND CANADA HELD OUT THE HOPE THAT THE EC'S APPROACH COULD ALLOW PRAGMATIC ARRANGEMENTS FOR BETTER ACCESS ON SELECTED ITEMS.

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C) "OTHER PRODUCTS" NOTIFICATIONS. THE U.S. SENT NOTIFICATIONS TO 13 COUNTRIES ASKING TO CONSULT ON QUANTITATIVE RESTRICTIONS ON AGRICULTURAL ITEMS NOT COVERED BY THE GRAINS, MEAT, AND DAIRY SUBGROUPS. THE NOTIFICATIONS WERE MADE UNDER THE PROCEDURES ESTABLISHED BY THE GROUP AGRICULTURE LAST DECEMBER AND WERE SENT TO THOSE COUNTRIES WHO HAVE REFUSED TO CONSULT WITH US ON AGRI-

CULTURAL PRODUCTS UNDER NTM SUBGROUP ON QRS. IN ADDITION, THE U.S. HAS SENT ADDITIONAL OR MORE SPECIFIC NOTIFICATIONS ON AGRICULTURAL QRS TO 13 COUNTRIES WHO HAVE CONSULTED, OR HAVE AGREED TO CONSULT, ON AGRICULTURAL PRODUCTS UNDER THE QR SUBGROUP PROCEDURES.

4. SAFEGUARDS. HIGHLIGHT OF NTM GROUP SAFEGUARDS MEETING JULY 19-20 WAS THE TABLING OF THE U.S. PROPOSAL LIMITED OFFICIAL USE

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FOR AN IMPROVED MULTILATERAL SAFEGUARDS SYSTEM. THE U.S. IS PROPOSING AGREEMENT ON CODE SUPPLEMENTING ARTICLE XIX OF THE GATT, TOGETHER WITH CERTAIN BROADER OBLIGATIONS TO TIGHTEN UP ALTERNATIVE ROUTES TO ARTICLE XIX NOT SUBJECT TO THE SAME DEGREE OF DISCIPLINE. PRELIMINARY REACTION OF DELEGATIONS, WHILE RESERVED ON DETAILS, REFLECTED BROAD AGREEMENT THAT U.S. PROPOSAL COULD PROVIDE A BASIS FOR DEVISING AN IMPROVED SYSTEM. LDC DISCUSSION OF MEXICAN AND EARLIER LDC PROPOSALS ASSERTED THOSE WERE "COMPLEMENTARY" TO U.S. INITIATIVE, I.E., THE DESCRIBED SPECIAL/DIFFERENTIAL TREATMENT LDCS THOUGHT MISSING FROM OTHERWISE SOUND U.S. PROPOSAL. MANY DELS SOUGHT ADDITIONAL INFORMATION AND CLARIFICATION OF CONCEPTS EMBODIED IN OUR PROPOSAL AND CONFIRMED INTEREST IN FURTHER EXAMINATION/ DISCUSSION OF IT AT NEXT MEETING OF THE SAFEGUARDS GROUP, OCTOBER 27-29. BEGINNING THEN, LDCS WILL PROBABLY SEEK TO GRAFT THEIR PROPOSALS ON TO THE U.S. INITIATIVE.

5. GATT REFORM. STR REPS, MTN DEL, AND U.S. MISSION OFFICERS HELD USEFUL BILATERAL DISCUSSIONS OF MTN GATT REFORM AND GATT BALANCE-OF-PAYMENTS ISSUES WITH GATT SECRETARIAT AND LOCAL DELS FROM EC, JAPAN, CANADA, AUSTRALIA, SWITZERLAND, BRAZIL, INDIA, AND ARGENTINA. RESULTS OF THESE TALKS WERE INCREASED APPRECIATION BY OTHER GENEVA DELS OF (A) ELEMENTS OF COMMONALITY IN MANAGEMENT OF TRADE DISPUTES UNDER PROCEDURES TO BE CREATED IN NON-TARIFF MEASURE AND SAFEGUARDS AGREEMENTS, AND GATT GENERALLY; (B) U.S. DESIRE FOR PRIOR AGREEMENT ON REALISTIC, MANAGEABLE WORK PROGRAM, INCLUDING EMPHASIS ON MORE ACCOUNTABILITY BY LDCS IN TRADING SYSTEM, IF RPT IF THE GATT REFORM GROUP PROPOSED BY BRAZIL IS TO BE ESTABLISHED; AND (C) APPROPRIATENESS OF BOTH PROCEDURAL AND SUBSTANTIVE REFORM OF GATT APPROACH TO BALANCE-OF-PAYMENTS TRADE MEASURES.

6. TROPICAL PRODUCTS. A) A COMPREHENSIVE CIRCULAR TELEGRAM (STATE 141388) PREPARED BY THE US MTN DEL AND WASHINGTON AGENCIES GIVING A STATUS REPORT ON THE NEGOTIATIONS IN THE TROPICAL PRODUCTS (TP) GROUP WAS SENT JUNE 9 TO U.S. EMBASSIES IN COUNTRIES WITH INTERESTS IN THE NEGOTIATIONS

IN THE TP GROUP. DEMARCHES REPORTED BY EMBASSY OFFICERS
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IN HOST COUNTRY CAPITALS HAVE INDICATED A GENERALLY HIGH
LEVEL OF APPRECIATION BY HOST GOVERNMENT OFFICIALS (WITH
A FEW NOTABLE EXCEPTIONS) OF THE BASIC ISSUE OF RELATIVE
RECIPROCITY INVOLVED, BUT NO WILLINGNESS AS YET TO MAKE
"CONTRIBUTIONS" IN THE CONTEXT OF THE TP NEGOTIATIONS.

B) DURING JUNE AND JULY, THE US MTN DEL CONTINUED TO
HOLD BILATERAL CONSULTATIONS WITH DEVELOPING COUNTRY DELE-
GATIONS IN GENEVA TO EXPLAIN THE MARCH 1, U.S. TP OFFER
IN TERMS OF ITS SPECIFIC TRADE INTERESTS TO EACH DEVELOPING
COUNTRY AND TO IDENTIFY SPECIFIC CONTRIBUTIONS THAT THE
U.S. IS SEEKING FROM THE COUNTRIES IN CONJUNCTION WITH
THE U.S. TP OFFER. SUCH CONSULTATIONS WERE HELD WITH ARGENTINA,
BANGLADESH, BURMA, COLOMBIA, EGYPT, IRAN, KENYA, PERU, SENEGAL,
UGANDA AND VENEZUELA RAISING TO OVER 35 THE NUMBER OF
COUNTRIES WITH WHICH SUCH CONSULTATIONS HAVE BEEN HELD.
CONSULTATIONS AT THIS STAGE REMAIN TO BE HELD WITH FOUR
SMALLER COUNTRIES WHICH DO NOT HAVE PERMANENT REPRESENT-
ATIVE IN GENEVA. PRELIMINARY REACTIONS TO PREVIOUS CON-
SULTATIONS HAVE BEEN RECEIVED FROM BRAZIL, INDIA, MEXICO
AND NIGERIA, ALL INDICATING THEY ARE CONTINUING TO STUDY
U.S. TP OFFER AND SUGGESTED CONTRIBUTIONS, BUT ARE NOT
WILLING AT THIS STAGE TO COMMIT THEIR GOVERNMENTS TO
MAKE CONTRIBUTIONS TO THE TP NEGOTIATIONS. IN ADDITION,
AS THE PROCEDURES OF THE TP GROUP ALLOW CONTINUED SUB-
MISSION OF INITIAL TP REQUEST LISTS OR MODIFICATIONS OF
PREVIOUS LISTS, SPAIN SUBMITTED AN INITIAL TP REQUEST LIST
TO THE U.S. AND A CLARIFICATION CONSULTATION WAS HELD
(GENEVA 4786).

C) THE FIFTH MEETING OF THE TROPICAL PRODUCTS GROUP WAS HELD
JUNE 29-30. DEVELOPING COUNTRIES EXPRESSED DEEP DISAPPOINTMENT
WITH THE OFFERS OF MOST DEVELOPED COUNTRIES INCLUDING
THE LACK OF SECURITY FOR GSP CONCESSIONS OFFERED AND THE
LACK OF DC OFFERS ON NONTARIFF BARRIERS IDENTIFIED. THE
U.S. WAS ALONE AS THE ONLY DEVELOPED COUNTRY CURRENTLY
SEEKING DEVELOPING COUNTRY CONTRIBUTIONS AS A QUID PRO QUO
FOR IMPLEMENTING ITS MARCH 1 OFFER OF MFN TARIFF CON-
CESSIONS, THE GROUP AGREED TO CONTINUE WITH BILATERAL
CONSULTATIONS AND TO HAVE THE GATT SECRETARIAT PREPARE
A TABULATION OF ALL DEVELOPED COUNTRY OFFERS ON DEVELOPING
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COUNTRY REQUESTS IN PREPARATION FOR THE NEXT MEETING OF THE GROUP IN OCTOBER. THE EC AND SEVERAL OTHER DCS INDICATED INTENTION TO IMPLEMENT THEIR GSP TP OFFERS JANUARY 1, 1977 WHILE MOST LDCS INDICATED THAT THEIR PRIORITY WAS TO SEEK TO OBTAIN IMPROVEMENT IN DC OFFERS.

7. OTHER. A) CONTINUING HIS VISITS TO EUROPEAN CAPITALS AMBASSADOR WALKER WAS IN LONDON, JUNE 13-15 FOR DISCUSSIONS WITH GOVERNMENT OFFICIALS ON MTN ISSUES. WHILE IN LONDON HE HELD A PRESS CONFERENCE AND PRESENTED A PAPER ON SUBSIDY PRACTICES BEFORE THE TRADE POLICY RESEARCH CENTER. FOLLOWING WASHINGTON CONSULTATIONS THE WEEK OF JUNE 14 AMBASSADOR WALKER CONDUCTED A SERIES OF SPEAKING ENGAGEMENTS IN CHICAGO, ST. LOUIS, HOUSTON, AND NEW ORLEANS. AS A GUEST SPEAKER AT LUNCHEONS SPONSORED BY INTERNATIONAL TRADE CLUBS, FOREIGN POLICY ASSOCIATIONS AND CHAMBERS OF COMMERCE, THE AMBASSADOR EMPHASIZED THE FAVORABLE COMPETITIVE POSITION OF U.S. FIRMS IN WORLD MARKETS TODAY AND URGED U.S. INDUSTRY TO TAKE FULL ADVANTAGE OF THE FURTHER OPPORTUNITIES FOR INCREASED EXPORTS WHICH WILL RESULT FROM THE MTN. IN SMALLER ROUNDTABLE DISCUSSIONS WITH LEADING BUSINESS OFFICIALS, AMBASSADOR WALKER DISCUSSED IN SOME DETAIL, U.S. PROPOSALS IN THE MTN AND STRESSED THE IMPORTANCE OF CLOSE COMMUNICATIONS BETWEEN U.S. PRIVATE SECTOR AND TRADE POLICY OFFICIALS. HE ENCOURAGED BUSINESSMEN TO PARTICIPATE IN THE MTN INDUSTRY ADVISORY MECHANISM. THE AMBASSADOR ALSO MET WITH THE EDITORIAL BOARDS OF THE PRINCIPAL NEWSPAPERS AND WAS INTERVIEWED FOR TELEVISION AND RADIO IN ALL CITIES. THE OFFICES OF SENATOR PERCY, GOVERNOR BOND, CONGRESSMAN ARCHER AND SENATOR LONG PROVIDED USEFUL SUPPORT FOR THE VISITS.

B) CONGRESSMAN BARBER CONABLE (R-N.Y.) OF THE HOUSE WAYS & MEANS COMMITTEE VISITED GENEVA IN JULY FOR DISCUSSIONS WITH THE U.S. AS WELL AS OTHER MTN DELEGATIONS. HE OUTLINED CONGRESSIONAL ATTITUDES ON A NUMBER OF MTN ISSUES INCLUDING THE QUESTION OF LDC CONTRIBUTIONS TO THE NEGOTIATIONS. THE CONGRESSMAN ALSO STRESSED THE BIPARTISAN NATURE OF THE CONGRESSIONAL ROLE IN THE MTN. LIMITED OFFICIAL USE

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WALKER

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